Supply of gas to Power and Fertilizer Industry

1980. SHRI NAND KISHORE YADAV: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

the quantum of gas which will be explored daily from the D6 Block of KG Basin by a private contractor; and

the quantum of gas which will be supplied to Government owned companies in the gas to Power and Fertilizer sector?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The contractor would produce initially @ 40 Million Standard Cubic Metres per day (MMSCMD) of gas which will gradually increase to plateau production @ 80 MMSCMD, from the D-6 Block in KG Basin.

(b) As per the Production Sharing Contract (PSC), the contractor has the freedom to sell gas in the domestic market on "arms-length" basis. The price discovered through this process would be applicable to all sectors uniformly. The prioritization of consuming sectors will be as per the Gas Utilization Policy of the Government.

Setting up of refinery by Kuwait Petroleum

1981.SHRI B.J. PANDA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

whether the Kuwait-Petroleum proposes to set up an integrated oil refinery in India;

if so, the details thereof, *inter-alia* indicating the size of project and its location; and

whether it is an export-oriented unit?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) No, Sir.

(b) and (c) Do not arise.

Queries on contract

1982. SHRI C. RAMACHANDRAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

whether the office of the Cabinet Secretary has raised certain queries on the proposals of the Ministry to award the contract to develop the Ratna-R-Series oil field off Mumbai to ONGC and its consortium partners;

if so, whether the queries have been resolved;

if so, whether the said resolving of the queries include a change in the applicable rates of levy pertaining to cess and royalty;

if so, the details of the contentious issues resolved and the changes made in the contract if any; and

if not, the reasons for not solving the queries raised by the office of Cabinet Secretary?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIDINSHA J. PATEL): (a) to (e) Yes Sir, the matter is under consideration.

Supply of gas to Andhra Pradesh

1983. SHRI NANDIYELLAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(c) whether Andhra Pradesh Government has requested the Central Government for augmenting gas supply to power utilities in Andhra Pradesh in view of the fact that as against a firm allocation of 5.12 MMSCMD, the Gas Authority of India (GAIL) has been supplying only 3.4 MMSCMD to the State and due to this the existing power projects of the State are generating power only upto 50 per cent of their installed capacity;

(d) if so, the response of Government in this regard;

(e) the reasons for delay in according to this request; and

(f) the time likely to be taken to give clearance to the proposal of Andhra Pradesh Government?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) Government of Andhra Pradesh has requested Government to augment gas supply to power utilities in the State. Against firm allocation of 5.185 MMSCMD to existing power projects, the supply was around 4.06 MMSCMD in 3rd quarter of 2007-08. Based on request from Government of Andhra Pradesh, Government directed GAIL to transfer around 1.02 to 1.15 MMSCMD gas to Lanco Kondapalli to one of the new projects Vemagiri Power for period from January to April, 2008, so that Lanco Kondapalli can run on naptha, while Vemagiri Power can produce additional power.

The natural gas produced in KG basin is intended to be supplied to consumers in various parts of the country, including Andhra Pradesh. 40 MMSCMD of gas production is expected to commence from KG basin D-6 block from 2008, which is projected to increase to 80 MMSCMD in 2011-12.

Losses to oil companies

1984. SHRI TARIQ ANWAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(c) whether it is a fact that private and public sector oil companies are incurring losses on petroleum products after the recent price hikes also;

(d) if so, the details of each company;

(e) the reasons that Government is not tracing other ways like reduction in tax etc.; and

(f) the response of Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The Government has made a marginal increase in petrol and diesel prices by Rs. 2/litre and Re. I/litre respectively with effect from 15.2.2008, which is actually in the nature the restoration of the retail prices of these products to the price level operating before February, 2007. The upward movement in international oil prices